

agricultural  
marketing

JUNE 1964

JUNE IS DAIRY MONTH



U. S. DEPARTMENT OF AGRICULTURE • AGRICULTURAL MARKETING SERVICE

## Contents

June 1964

June Is Dairy Month	3
Grain Grading Schools in Kansas	4
More Efficient Produce Warehouses	6
Wheat Grading Under New Standards	8
Milwaukee Plans New Wholesale Produce Market	10
Hams for the Future	12
Season's First Tobacco Market Reports	13
New U. S. Standards for Tomatoes for Processing	14
Summer Beef Drive Is Underway	16

## Reprint Material

All articles may be reprinted without permission. Prints of photos and art used in this issue can be obtained from Photo Library, U.S. Department of Agriculture, Washington, D.C. 20250. Photos are identified by the following negative numbers: Cover, BN21964; p. 3, BN21967; p. 5, *Courtesy of Extension Information, Kansas State University*; p. 6, BN18687; p. 7, BN18692 (top), BN18695; p. 8, N38079 (top), N52133; p. 9, N52132 (top, left), N52140 (bottom, left), N52127 (top, right), N52125 (center, right), N52126; p. 10, BN21962; p. 11, BN21963; p. 13, N50661; p. 14, BN21797; p. 15, BN21795 (top), BN21796.

## Cover Page

The two healthy youngsters on our cover page were not aware that JUNE IS DAIRY MONTH and that the U. S. Department of Agriculture is cooperating with the dairy industry to encourage increased use of fresh and wholesome dairy foods during this month when the industry reaches its period of peak production.

But they do know that milk is good for them: The young girl told us that milk made her beautiful; the boy, flexing his muscle, told us that milk made him big and strong. But most of all they reminded us that they like to drink milk everyday, be it June or December.

Editor, MILTON HOFFMAN

Assistant Editor, JAMES A. HORTON

AGRICULTURAL MARKETING is published monthly by the Agricultural Marketing Service, United States Department of Agriculture, Washington, D. C. 20250. The printing of this publication has been approved by the Bureau of the Budget, March 18, 1959. Yearly subscription rate is \$1.50 domestic; \$2.25 foreign. Single copies are 15 cents each. Subscription orders should be sent to the Superintendent of Documents, Government Printing Office, Washington, D.C., 20402.





College students at Howard University in Washington, D.C., take time out to report on the progress they are making with their exams and to enjoy a nutritious glass of milk. From left are: Miss Lalita Mannan, New Delhi, India; Mrs. Hansa Mehta, Ahmedabad, India; Mrs. Catherine Ochoki; Kenya, East Africa; Miss Marsha Pippin, Washington, D.C.

## June Is Dairy Month

**JUNE**—the gala month that has cornered the market on graduations, weddings, vacations, sunshine, and flowers—will again salute the American dairy industry. And this time it will ring up the 28th celebration of June Is Dairy Month.

The U. S. Department of Agriculture's Agricultural Marketing Service is cooperating with the industry as it reaches its period of peak production by featuring milk and dairy products on its list of plentiful foods for June. USDA, through its contacts with the food industry in major marketing centers, the national press, radio and TV outlets, will augment the dairy industry's efforts.

This annual nationwide campaign by the dairy industry will be supported by State departments of agriculture, allied interests, national and regional chain stores, independent grocers, distributors, processors, and the food service industry.

As in past years, an American Dairy Princess has been chosen—19-year-old Sue Ann Godderidge, of Smithfield, Utah. She was selected from 25 State finalists representing some

25,000 initial candidates in the 9th annual American Dairy Princess Contest held in Miami Beach last September. She will travel more than 100,000 miles, visiting about 40 States in a series of four regional tours during her year's reign. She will stress the story of milk and its health-giving products at banquets and various meetings, as well as on radio, TV, and in syndicated newspaper columns.

But the American Dairy Princess will not hold all the spotlight. Other princesses will be chosen in the various States and local regions of the country, to bear messages of goodwill and physical fitness from the dairy industry, one of the Nation's biggest food producers. Special Dairy Days will be announced from time to time, numerous festivals and parades will be arranged, and Governors and Mayors across the country will issue proclamations setting aside June as Dairy Month.

Homemakers will be reminded of the nutritional values and downright goodness of milk and its numerous allied products through newspapers, magazines, radio and television media. They will also receive suggestions of

various ways to serve dairy products not only during the month of June, but every day in the year. The industry will particularly direct its campaign for increased milk and dairy products consumption to teenagers across the Nation, the ever-growing and dynamic group of youngsters who will become the future homemakers and leaders of America.

**MASTER-MINDING** the June Is Dairy Month celebration will be the American Dairy Association, which will serve as emcee in the promotion and sale of milk and its many tasty products. It will be joined by a large number of other dairy organizations. The sponsor committee's headquarters are at the American Dairy Association in Chicago. Other important organizations lending a helping hand in the June celebration are: American Butter Institute, American Dry Milk Institute, Dairy Association Executives, Dairy Industries' Supply Association, Evaporated Milk Association, and the International Association of Ice Cream Manufacturers and Milk Industry Foundation. Still others include the National Cheese Institute, National Creameries Association, National Dairy Council, National Milk Producers' Federation, and the Purebred Dairy Cattle Association.

# Grain Grading Schools in Kansas

By Hugh J. McDonald and Dr. Norman V. Whitehair

**F**OLLOWING an old Extension axiom—"Find the need and then satisfy it"—has been the key to the success of 15 annual grain grading schools in Kansas. The need which prompted this Kansas Extension Service program was the "sick" wheat problem in commercial storage. (*Editor's note: The term "sick" wheat is applied to a type of storage damage usually associated with brown discolored germs, evidence of dead deteriorated germs, and of other damage to the kernel.*) This first became a major problem for the Kansas grain industry in 1949.

Extension marketing people viewed this problem as a challenge to improve the marketing efficiency of Kansas grain and feed firms, and to improve the technical ability of grain and feed personnel, grain inspectors, and other people interested in grain marketing, grades, standards, sanitation, and quality control.

Three teaching techniques were incorporated into the schools from the beginning—(1) use of semilaboratory conditions so the participants could actually learn by doing; (2) use of "teaching" personnel from many cooperating agencies as well as the Extension Service; (3) taking the schools to the people by holding meetings at several locations across the State.

Attendance has shown that the grain marketing industry likes this type of school. Over 15,000 people have participated in the schools during the past 15 years. Approximately half of the participants attend the meetings year after year as a means of "keeping up" on new developments and as a refresher course in grain grading.

A look at the groups represented on the 1964 program indicates the extent to which the cooperative "teaching" has progressed. There were instructors from the Grain Division of the U.S. Department of Agriculture's Agricultural Marketing Service at Kansas City and Hutchinson; the Kansas State Grain Inspection and Weighing Department, Topeka; the U.S. Food and Drug Administration, Kansas City; Kansas Wheat Improvement Association, Manhattan; Kansas Grain and Feed Dealers Association, Hutchinson; the Kansas State Extension Service, Manhat-

tan; and the local county Extension Service.

Pratt, Garden City, Colby, Hays, Salina, Wellington, Iola, and Topeka were the sites of this year's schools. By moving about the State, the schools can reach a high percentage of the 1,200 grain and feed firms in Kansas.

Many grain firms in the State send the manager of the grain department to the school each year and all other personnel in the grain department once every two years on an alternating basis. Some firms send half of their grain personnel to one district school and the other half to another district school each year so that all their people can benefit from the information presented.

For many grain and feed firms these schools provide the only way that management can help their personnel stay abreast of changes in grades, standards, quality control, grain sanitation, and new developments in grain marketing in general. So these schools are continuing to fill an expressed need in Kansas.

**T**HE purpose of the grain grading schools is to develop a better understanding of grading and quality factors in order to meet official U.S. grade standards, and to keep the grain industry of Kansas up to date on changes in grain marketing that have an effect on the economic well being of individual producers and marketing firms.

Grading refers to the sorting of commodities into various categories established by quality standards. Uniform grades and standards have received considerable support for their contribution to movement of grain through the marketing channel in a simpler, smoother, and less costly manner.

All told, grain grades and standards lead to: (1) making price quotations more meaningful; (2) encouraging sales of grain by description; (3) assembling uniform commodity lots for future shipment; (4) facilitating financing and risk-bearing in the marketing of grain; and (5) reducing relative transportation costs.

Increased knowledge about grain standards encourages the production of quality crops; helps the miller, feed manufacturer, and processor secure uni-

form lots of raw materials; and ultimately helps the consumer get better products at a lower price because of a smooth functioning producer-to-processor-to-consumer channel.

When grain marketers improve their knowledge about a commodity, the market becomes more competitive, and consumer demand tends to be reflected more accurately back to the producers. This improved knowledge about a commodity allows the consumer to signal his needs through the pricing mechanism. Likewise, the producer receives a clear signal as to the market's demands, and thus he can shift productive resources to the most efficient use.

Grain grading schools have been a valuable educational method of carrying this message to the grain trade in Kansas. These schools have provided a common training ground for the mutual understanding of grades and standards for the whole marketing system.

In addition, this common knowledge has created an atmosphere of confidence and integrity among and between all marketing agencies, organizations, and individuals in the State.

In addition to providing detailed information about grades and standards, the Kansas grain grading schools have provided a training ground for grain and feed dealers in many related areas.

The Kansas grain and feed dealer comes in contact with more agricultural producers than any other commodity group. This group serves in a leadership role in their respective counties and areas for the dissemination of agricultural production and marketing information received from local county agricultural agents and State Extension specialists.

County elevator operators are anxious to learn more about grain grades, grading, and inspection. Grain shipped from the country to a terminal passes through an official State grain inspection point. The country operator must have enough knowledge of grain grades and grading factors to know what he is shipping.

More important, he must know what he is buying to correctly assess grain quality, market value, and prevent financial losses. The grain business is highly competitive and failure to keep abreast is one of the quickest ways to become an "ex" grain elevator operator.

It is not the purpose of these grain



grading schools to make inspectors out of everyone but rather to give them a basic understanding of grain grades and grading, and to aid them in identifying the various grading factors they need to know to properly assess the value of grain they are buying and selling.

Each year the program features something that is of major importance to the industry. The 1964 theme centered around the new wheat standards which will go into effect on June 1. Other topics at the school included "Official Grain Standards of the U.S.;" "Sampling and Inspection Equipment;" "Wheat Quality and White Wheat in Kansas;" "Everyday Grading Factors of Corn, Grain Sorghum, and Soybeans;" "Activities of the Kansas Grain and Feed Dealers Association", and "Food Grain under the Food, Drug, and Cosmetic Act."

Charles Roy, district supervisor of AMS's Grain Division, acted as chief instructor for the schools with Marion Coberly, director of the Kansas Grain Inspection Department, providing licensed inspectors to assist the participants as they worked with actual grain samples.

This assistance is particularly valuable when the "students" are identifying the numerous types of kernel damage that may be present in various grains. Also, it allows grain men and the inspection personnel to get better acquainted, thereby creating a mutual understanding of each other's problems. It is the step-by-step instruction and individual assistance by the licensed inspectors that makes the workshop-type school pay dividends.

Publicity for the schools is handled through the county agricultural agents. The Kansas Grain and Feed Dealers Association, which consists of a large percentage of all grain and feed firms in the State, also sends a follow-up notice to its membership. Then immediately before the schools start news releases are sent to all the daily and weekly newspapers and trade publications in the State by the State Extension information office.

Do the Kansas Grain Grading Schools fill a need? The "to the rafters" crowds at the meetings provide the answer. As long as the schools are problem-oriented and cooperatively presented by all interested groups, the future looks bright for this special venture into marketing education.

(Mr. McDonald is Extension economist in grain marketing and Dr. Whitehair is State leader, Extension marketing, Kansas State University.)



Grading schools also provide a training school for Extension 4-H Club agents. Below, soybean damage was one of the "lab" problems given to participants of the Salina Grain Grading School this year. The Salina school is traditionally the largest of the 8 district schools held across Kansas during a 2-week period.



# More Efficient Produce Warehouses



*This drive-in storage system for fresh produce has several advantages over other systems. The forklift truck can deposit pallet loads as far as five rows deep and three or four tiers high. Result—There is more storage space available; handling costs are lower.*

**F**OOD COSTS in recent years have risen more slowly than the costs of other consumer products, partly because of the development of less expensive ways to market food. As a result, the average consumer today spends a smaller proportion of his take-home pay for food than in the past.

Additional opportunities to market fresh fruits and vegetables at lower cost are outlined in a study made recently by marketing researchers in the Agricultural Marketing Service of the U.S. Department of Agriculture. The study shows how many fresh produce warehouses with a growing volume of business can eliminate the need for construction of expensive new facilities—a cost that would ultimately be reflected in the retail price of food.

By modernizing the old facilities according to the recommendations made in the study, storage capacity of the existing warehouse can be increased as much as two-thirds, eliminating the need and expense of a new warehouse. Equally important, in the long run, are the savings in operating costs resulting from more efficient handling of produce.

The AMS recommendations are based on warehouses used for storage of an annual volume of 1,000 carload equivalents (approximately 31 million pounds) of fresh fruits and vegetables. Recommendations are also given for warehouses handling 2,000 and 3,000 carlots, and could be adapted for warehouses of other capacities.

Potential savings can be realized in storage and handling costs through replacement of the widely used conventional storage system with a drive-in pallet rack system. The equipment recommended by the researchers includes three-tiered drive-in pallet racks, 40 x 48-inch pallets, and counterbalanced forklift trucks. A clear, unobstructed ceiling height of 18 feet is required in the warehouse.

Where a new facility is preferred to remodeling, the study shows that \$25,000 in initial costs can be saved by

designing the warehouse around the three-tiered pallet rack system instead of the conventional storage system.

The biggest disadvantage of the conventional system is the waste of overhead space, which more than offsets this system's lower handling costs. In addition, the produce on the bottom of a stack is more vulnerable to bruising and other damage when crates and pallets are stacked one on another.

In contrast, the drive-in pallet rack system makes maximum use of vertical space and minimizes the space that is necessary for aisles. Produce is also less subject to damage during handling. The difference between the two systems makes it possible to store and handle produce with the recommended system at an annual cost of at least \$2,500 less than with the conventional system.

Breaking the figures down even further, the storage and handling costs (on a carlot basis) are a little over \$13 for the drive-in pallet rack system, slightly under \$16 for the conventional system, and over \$21 for the standard pallet rack system—a significant saving for the drive-in pallet rack system.

The standard pallet rack system is not as efficient as the drive-in pallet rack system. Because of the location of supporting beams and other construction features, a forklift truck, recommended by marketing researchers, can reach into a stock only two-deep, and more space is required for aisles, in the standard storage method. With the drive-in system a truck can reach in five layers deep, and less storage space is taken up by the aisles.

Full details on equipment, space, and labor requirements are given in Marketing Research Report No. 622, "Storing Fruits and Vegetables on Pallets in Wholesale Warehouses." Single free copies are available from the Office of Information, U.S.D.A.

This study is part of a continuous USDA marketing research program aimed at getting top-quality farm products to the consumer at reduced costs.

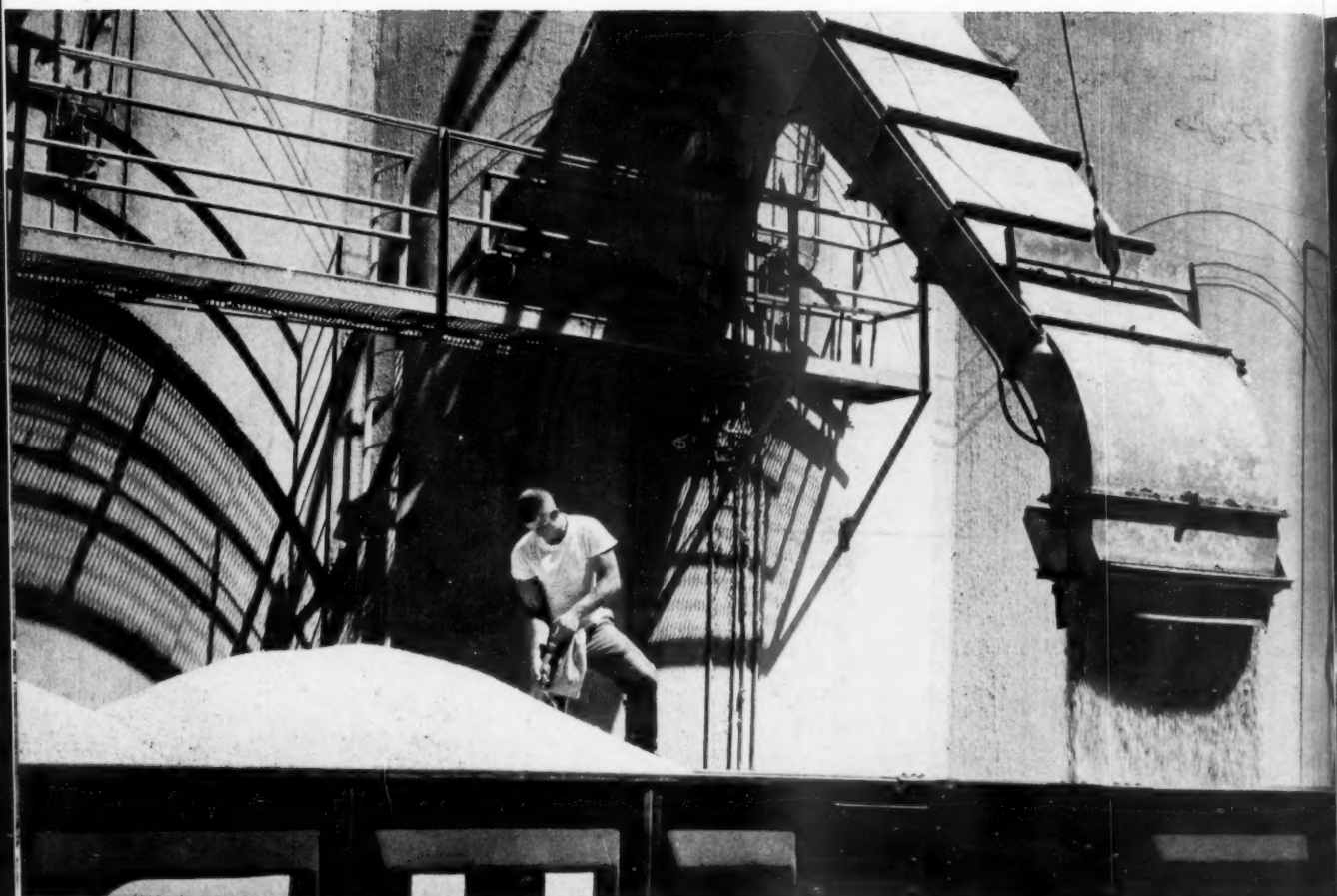


*In the conventional storage system, as above, much useful space overhead is wasted. Also, produce at the bottoms of stacks is bruised or otherwise damaged when crates and pallets are stacked one on another. The standard pallet rack system, shown below, was not as efficient as the drive-in system. The cross beams prevent a forklift truck from depositing produce more than two rows deep, so that more space must be allotted to aisles.*





# Wheat Grading Under New Sta



*Beginning June 1, the Nation's wheat crop will be officially graded under a revised set of standards. This series of photos shows major steps in grading. Above, a representative sample is needed for accurate grading. The sampler, using a probe, draws representative samples from all parts of a carload of wheat. Samples are identified on sample tickets.*



*Left, inspector pours a "working" sample from moisture-proof, air-tight can into scale, to be weighed for moisture test. Meter at right gives reading of moisture content. Thermometers on wall are placed into containers before test to make sure temperature is correct for testing. At right, machine determines amount of dockage in sample. Dockage is not considered in determining grade but it is recorded on inspection certificate (if it is  $\frac{1}{2}$  percent or more) and affects value of the wheat.*



# Standards



*Inspector divides wheat into "working" samples. Visual examination determines any musty, sour, commercially objectionable foreign odors, and "distinctly low quality" factors.*



june 1964



*Test weight, expressed in pounds per bushel, indicates amount of flour that can be milled from each bushel and affects numerical grade. Below, inspector determines percentage shrunken, broken kernels.*



*Amount of foreign material is determined by hand separation and weighing on balance. Percentage of damaged kernels (heat damaged, weather damaged, sprouted, frosted, etc.) is similarly determined.*





*Much of the space now used by wholesale produce dealers in this older section of Milwaukee will be needed for planned highway improvements. Plans for new facilities recommended by AMS marketing researchers are being studied by Milwaukee's city and trade officials. The AMS plan would permit more efficient operation and better protection of the quality of perishable produce during marketing, benefiting consumers and produce industry.*

## Milwaukee Plans New Wholesale Produce Market

By Richard K. Overheim

**A**CITY needs more than a new skyline of ultramodern apartments and offices rising from formerly run-down areas in order to match other progressive cities. The forward-looking city has food marketing facilities that can efficiently meet the demands of swelling populations, modern traffic conditions, and of competition for lower priced and higher quality food.

To meet these needs, major cities from New York to San Francisco, with the help of marketing researchers in the Agricultural Marketing Service of the U.S. Department of Agriculture, have replaced 19th century food marketing facilities with streamlined, low-lying, efficient warehouses. These mod-

ern food centers make it possible to offer consumers fresh products in better quality and to minimize waste, spoilage, and high transportation and operating costs.

Even in cases where lower operating costs were not achieved, the new facilities helped prevent increases in costs—that consumers would ultimately pay for—that might have been expected had the old facilities remained in use.

Milwaukee, Wisconsin, is an example of what major cities are faced with in their plans to modernize. A new highway and urban renewal projects may someday occupy the space where most of Milwaukee's wholesale fruit and vegetable facilities are presently located. These facilities have long been outmoded. Cartage from inconveni-

ently located rail lines and the heavy traffic congestion add to inefficiency, waste, and spoilage problems.

An efficient central wholesale produce center may not add to Milwaukee's skyline any more than in other cities that now have such modern facilities. But it may offer Milwaukee and other cities in similar circumstances a good chance to give their consumers the same advantages in top-quality food and minimum cost enjoyed by consumers in cities with up-to-date food facilities.

The Milwaukee market was analyzed by AMS marketing researchers, local planners, and city and State agencies in cooperation with the produce dealers. The researchers then drafted suggestions and detailed plans and layouts best suited to the city's needs.

In planning new facilities for Milwaukee, the researchers recommended that the city's 23 independent dealers act jointly instead of individually. All are faced with similar problems in their present locations. And group action would offer these advantages in a new central market: Potentially lower financing and operating costs, convenience of interdealer transactions, and retention of the identity of their market.

City representatives and marketing researchers from AMS recommended a central produce market consisting, to begin with, of two buildings, each 100 by 650 feet. The dealers would occupy separate units, or a series of connected units, in the buildings, which feature construction and layout principles that enable the lowest possible construction and operating costs, and minimum handling of produce.

Railroad connections—lacking for most of the present facilities—would enable unloading of railcars directly at the rear of the buildings. Parking space for about 200 cars and trucks is included in the recommended plans.

Facilities for a wholesale produce center of this size would require about 20 acres, allowing for future expansion. City officials and the dealers are now studying four sites recommended by researchers as good locations for a new produce center.

Under study also are various methods of financing the new facilities, which would cost an estimated \$1,700,000. Dealers' rental charges in the new facilities would come to about \$177,500 more than they now pay in their old facilities. But the new produce center could bring savings estimated at \$233,000—resulting in a net saving of about \$56,000.

The largest saving, totaling \$110,000, would result through more efficient handling methods. Other major savings would result in the elimination of cartage, reduction in spoilage, shrinkage, etc., and in more efficient interdealer movement of supplies. These four categories amount to savings of about \$123,000.

Under present conditions, researchers estimate Milwaukee's independent

dealers—and consumers—lose \$378,000 a year from spoilage, breakage, and shrinkage of produce. Add on the annual cost of cartage, inefficient handling and interdealer movements, and rental charges, and the total comes to about \$1 million—a big slice of which could be cut by new facilities.

**C**ONSUMERS may never see any of the plans for the new wholesale produce center. They may never even visit it when it is built. But they are likely to taste the difference in fresher, more nutritious food, and their food bills, if not lower, are not so likely to go up as may be the long-term prospect with the present market. Such savings and quality improvements in food, like a new skyline of gleaming glass and concrete buildings rising from formerly run-down areas, are not likely to be hidden from Milwaukee's consumers.

(The author is a staff member of the Transportation and Facilities Research Division, Agricultural Marketing Service, U.S.D.A.)

*Outmoded facilities and inefficient handling methods like these add to the cost of marketing produce in Milwaukee.*



# HAMS FOR THE FUTURE

By James A. Lonsbury

It's the AMS in HAMS that makes them acceptable for delivery on futures contracts at the Chicago Mercantile Exchange.

AMS—the Agricultural Marketing Service—"got into hams" at the Mercantile Exchange earlier this year when futures trading in frozen skinned hams was inaugurated. U. S. Department of Agriculture meat grading specialists were called upon to inspect and certify the hams delivered in settlement of futures contracts. It was the Exchange's happy past experience in having these graders inspect frozen pork bellies that prompted it to request the ham inspection. Futures trading of bellies started in August 1961.

The meat specialists are the core of the nationally known Federal meat grading service administered by AMS's Livestock Division. They grade meats on a voluntary basis according to established USDA standards, at a fee to cover the cost of their services.

Not quite so well known, but equally important, are the specialized services these graders perform to meet specific industry needs. One of these is the Meat Acceptance Service, currently being used by the Chicago Mercantile Exchange.

The Acceptance Service consists of examination of carcasses, cuts, and other meat items—many of them processed or fabricated—to determine their compliance with purchase specifications. Graders working under the Acceptance Service act as the agent of the purchaser, which may be a State, county, or city institution, or perhaps a private concern such as a steamship line, hotel, or restaurant.

Two basic sets of specifications, covering more than 200 fresh and proc-

essed items, have been prepared by USDA for general use under the Acceptance Service, and most purchasers buy under these basic specifications. However, officials of the Mercantile Exchange requested the Livestock Division's Standardization Branch to help design a special set of frozen ham "specs" for their futures trading.

After reaching an agreement on the "specs," the job of examining and certifying the hams was turned over to the Livestock Division's Meat Grading Branch.

The "contract" is, of course, the medium used in trading in futures—whether the product is hams, frozen bellies, or any other commodity traded at the Exchange.

"Since a contract may be traded

*Inspecting and certifying hams that will be delivered in settlement of future contracts is one of the specialized services performed by an Agricultural Marketing Service grader to meet specific needs of industry.*



many times, its integrity must reflect assurance that buyers will get a product delivered that fully meets specifications," points out Everett B. Harris, President of the Chicago Mercantile Exchange.

As proof that the Acceptance Service's certification provides that assurance on hams and bellies, Mr. Harris says there never has been a default on a futures contract in either commodity, and dissatisfaction with the ones delivered is rare.

The vast majority of the futures contracts are settled by the offset process and few actual deliveries of the product are made at the expiration date. However, many packers who have sold hams and bellies for future delivery will call on the Livestock Division's meat graders to have lots certified and ready for delivery if necessary.

Usually, there is no immediate urgency to have this work done, so graders are assigned acceptance work after their major grading workload has been completed, insuring most efficient use of the grader's time.

"We're very glad to have the opportunity of providing this service for the Exchange, and the industry," says John E. Coplin who supervises meat grading in Chicago.

Exchange members expect trading in ham futures to increase, which will mean more hams to be certified by the meat graders. It is not expected, however, that the volume of trading in hams will ever reach the volume in frozen pork bellies. Demand for hams is greatest during the holiday season. Bacon (product of the bellies) however, is in demand throughout the year.

(The author is a member of the staff of the Midwest Area office, Marketing Information Division, AMS, in Chicago.)





## Season's First Tobacco Market Reports

By William R. Poole

Come late July, as in seasons past, telephones will be busy in a room on the second floor of a Valdosta, Ga., hotel.

From this room, headquarters for the Federal-State Tobacco Market News Service, operated by the Agricultural Marketing Service of the U.S. Department of Agriculture in cooperation with the Georgia Department of Agriculture, comes the first news of what prices the farmers in south Georgia and northern Florida are receiving for their newly harvested crop of flue-cured tobacco.

News of the "first-hour sales" on the opening auction day in the Georgia-Florida area heralds the beginning of the flue-cured marketing season in a tobacco-growing belt that extends northward from Georgia and Florida through the Carolinas and well into Virginia.

To cover the first-hour sales in the Georgia-Florida area—where tobacco matures earlier than elsewhere—takes a lot of fast telephoning by the market reporters and a small clerical staff in order to complete a market report on the first-hour sales and get it by 11 a.m. to Atlanta to waiting regional news wire services.

Once the first-hour report is out of the way, there is more telephoning later in the day for marketing information on sales for the first full auction day, and on each succeeding day of the selling season. Each day of the selling season the market reporters prepare a narrative report in news style on the day's selling and have it on its way to the news wire services and other news outlets by 4 p.m.

Also, as the daily report for news media is being prepared work is under way on another important daily report. This is the daily price report, which lists the latest established market price averages for most of the 157 grades of flue-cured tobacco along with USDA support prices.

Packets of the price report are mailed each evening from Valdosta to AMS tobacco inspectors who post the reports early next morning in conspicuous places in the 118 auction warehouses in the Georgia-Florida flue-cured area.

The AMS tobacco market news service dates back to 1935 when Congress passed the Tobacco Inspection Act. Under the act, producers are provided mandatory and free inspection service and market news after they have voted in a referendum for the services. Previously, a limited market news service

covered a few markets where tobacco was being inspected and graded on a fee basis.

Today, the free inspection and market news services embrace all of the Nation's 871 tobacco auction warehouses.

The AMS field tobacco market news staff for three district offices (at Raleigh, N.C.; Lexington, Ky.; and Clarks-ville, Tenn.) and six seasonal offices consists of only seven market reporters, who with small clerical staffs move from one field office to another as the various markets open.

How does the market reporter, with some markets in an auction area as far as 100 miles distant from his office, manage to get all the information he needs for his daily reports? At one time, the market reporter raced in his automobile to warehouses and after picking up sales tickets hurried back to his office to rush out his daily price report for posting at the tobacco warehouses the following day.

Today, the market reporter relies chiefly upon the telephone and an efficient news-gathering system that he has built up and improved over the years.

Lack of manpower does not permit taking daily reports from all of the markets in an auction area—so the market reporter employs a sample

method that has proved highly satisfactory and reliable. In the Georgia-Florida area, for example, there are 28 markets. From these 28, the market reporter selects seven markets that are representative of all markets in the area.

Once the price information from the seven sample markets is combined and summarized, the reporter is able to calculate the average prices paid for the various grades of tobacco sold, and for market report purposes these average prices are considered applicable to the entire auction area.

At the markets, the reporter has three dependable sources of information for his daily reports. There are the "recorders", mainly tobacco inspection trainees, who collect sales information at the sample markets on every lot of tobacco sold during a specified 3 hours of the daily 5½-hour selling period. This information is telephoned promptly to the market news office, where the market reporter and his staff consolidate the price reports from all of the sample markets and determine the average prices for all grades of tobacco sold.

AMS tobacco inspectors are another important source of marketing information. They know the quality of tobacco being offered and watch the selling of tobacco to gauge demand and price trends. They are stationed at each market and furnish their observations daily to the market news office.

The third important source of tobacco marketing information is the field assistants stationed at each market by USDA's Agricultural Stabilization and Conservation Service. From each market, they telephone the total volume of tobacco sold and the value of gross sales.

After summarizing and analyzing the information he has received, the market reporter is able to determine significant price changes and trends, demand, changes in offerings, and other marketing highlights all of which will be covered in his daily reports.

Each reporter, however, spends as much time as possible on the auction floor. Here he talks directly with growers, buyer representatives, warehousemen, and others. This, along with other information coming to his office, enables him to make sound interpretations of market behavior.

(The author is assistant chief in the Southeast area office, Marketing Information Division, Agricultural Marketing Service, USDA).

## New U. S. Standards For Tomatoes for Processing

NEW U. S. Standards for Tomatoes for Processing have just been issued by USDA's Agricultural Marketing Service. They'll team with AMS' highly accurate grading system (*Agricultural Marketing*, April 1961) to give cannery tomato growers and processors more accurate grading.

These new standards do not replace, but supplement the U. S. Standards for Tomatoes for Canning and the U. S. Standards for Tomatoes for Manufacture of Strained Tomato Products, which have been in effect for many years. The latter standards remain in effect so that growers and processors have a choice of standards.

The Federal-State Inspection Service grades more than a million tons of tomatoes every year at processing plants—and growers are paid on the basis of the grading results. Processors also use grades to help decide whether to use a particular batch of tomatoes for juice, catsup, or some other product.

The new system gives the processor a more accurate measurement of the real value of the tomatoes to him and the growers can be paid accordingly.

One of the country's largest tomato processors used the new system and the proposed grades as the basis for all its grower contracts at one plant last year, and has already signed similar con-

*Heart of new grading system for processing tomatoes is the U.S.D.A. tomato colorimeter. Inspector gets immediate, exact reading on juice color.*



tracts for 1964 with the growers supplying its plants in two other States.

It looks so promising that a number of other major processors are making arrangements to use it experimentally alongside the regular grading system to get data for working out grower contracts, including pricing schedules, for coming seasons.

AMS researchers began working on the problem of accurately measuring tomatoes' processing value back in 1952. By 1959, they had a working model of the electronic colorimeter that is the heart of the new grading system. The new U. S. standards were proposed in October 1962, and the tomato industry was given more than a year to evaluate them and make comments before they were made official in February of this year.

Here's how the new standards and grading system operate.

When the grower delivers his tomatoes to the processing plant, the Federal-State inspector will first examine a sample for defects, classifying each tomato in the sample as "A", "B", "C", or "Cull." "A" fruit is free from decay and mold and has five percent or less waste. "B" fruit is also free from decay and mold, but may have from 6 to 20 percent waste. "C" fruit may have mold or decay as long as total waste is 20 percent or less of the fruit. "Culls" are fruit with more than 20 percent waste.

Then the inspector calculates the "percent usable" in the load—the amount of usable tomatoes that the processor is actually buying.

Color is determined by the electronic colorimeter. The inspector extracts the juice from a portion of the sample of tomatoes, and puts some of the juice into a special glass-bottomed viewing cup. The USDA tomato colorimeter "reads" the color of the juice in terms of tomato color index.

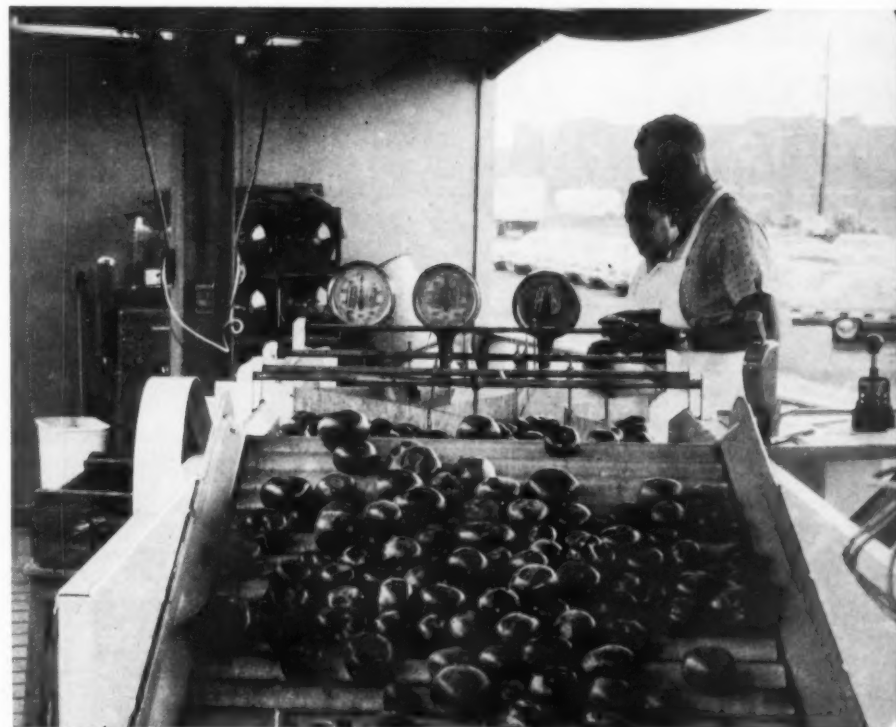
The percent usable in the load and the color rating of the raw juice go onto the inspection certificate—giving the processor a more exact measure of what those tomatoes are worth to him than the U.S. No. 1 and No. 2 grades have done.

The producer also gets paid by that more exact measurement.

All in all, the new U. S. Standards for Tomatoes for Processing and the electronic grading system that applies them offer the prospect of more accurate and equitable grading for the canner tomato industry.



*Inspector grades sample for defects as tomatoes move along conveyor of new grading table. "A" fruit stays in left lane; "B", "C" and "Cull" fruit goes into lanes at right. Below, scales at end of grading table automatically weigh the fruit in each category. Inspector then calculates "percent usable" in the sample.*



DR W A SEAY  
COLLEGE OF AGR & HOME ECON  
UNIVERSITY OF KY  
LEXINGTON KY

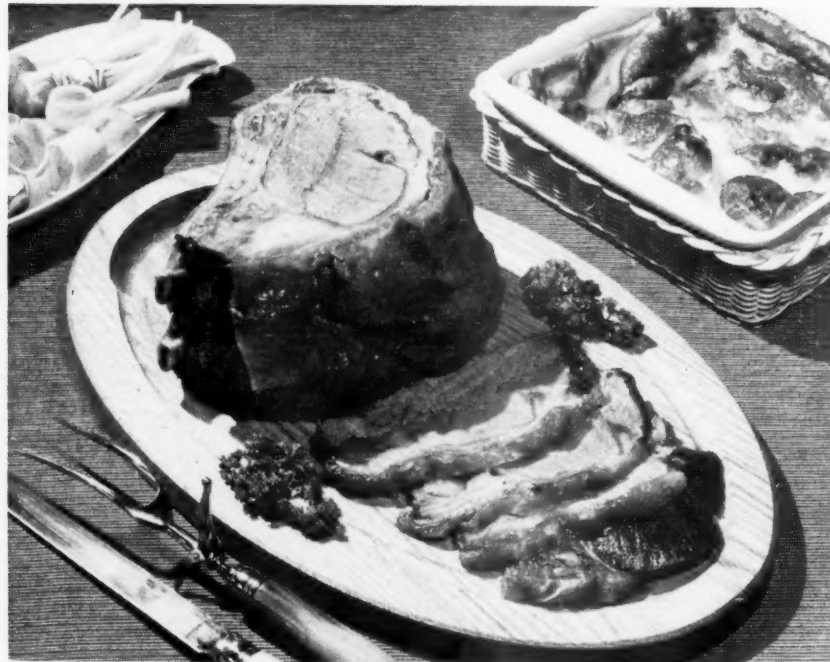
*Seay*

UNITED STATES GOVERNMENT PRINTING OFFICE  
DIVISION OF PUBLIC DOCUMENTS, WASHINGTON, D. C. 20402

PENALTY FOR PRIVATE USE TO AVOID  
PAYMENT OF POSTAGE, \$300  
(GPO)

OFFICIAL BUSINESS

## Summer Beef Drive Underway



ALL segments of the food industry have been urged by Secretary of Agriculture Orville L. Freeman to continue and expand the "productive merchandising aid" for beef through the summer months, following the outstanding success of the March-April industry-Government Special Plentiful Foods campaign.

"It is my hope that the current campaign can be carried on energetically for some time to come," the Secretary said in a mid-May letter to key food trade and food service associations, noting that beef sales volume gains of 10 to 25 percent in April were reported from all across the country.

New activities and informational materials to maintain industry promotional efforts and consumer interest in beef have been spearheaded by the Agricultural Marketing Service, aimed at overcoming the normal summer slump in beef consumption that occurs as families turn to "light meals" and outdoor living.

In addition to fact sheets for the distributive and food service industries, information and background materials for food editors and broadcasters, filmed public service 20-second, 50-second and 1-minute television spot announcements are available. The two shorter spots feature Sammy Steer and helpful

hints on getting the most from a cut of beef. The minute spot tells the beef story through animation. The 20-second spot is also available on video-tape.

Additionally, three 4½-minute TV films are also available. They feature tips on how to cut, cook, and store beef, and fit well into existing women's and cooking programs.

Anyone who can use prints of these films or video-tapes on TV may obtain free copies by writing the U.S. Department of Agriculture, Office of Information, Radio-TV Service, Washington, D.C., 20250.



VOID

of  
ef  
nd  
  
V  
re  
re  
's  
  
se  
n  
t-  
n,  
  
g